REMARKS

By this amendment, claims 1, 3, and 15 and the title are amended to place this application in condition for allowance. Currently, claims 1-18 are before the Examiner for consideration on their merits.

The change to the title responds to the Examiner's concern in this regard, and the specification is now in full compliance with PTO requirements.

Responsive to the rejection of claims 1-18 based on 35 U.S.C. § 112, second paragraph, claims 1, 3, and 15 are amended to clarify how the claimed method and system evaluate an employee. In light of these changes, the claims are now fully definite under the purview of 35 U.S.C. § 112, second paragraph, and the rejection should be withdrawn.

Turning now to the prior art rejection, the Examiner rejects all 18 claims under 35 U.S.C. § 102(e) based on US published patent application no. 2002/0032636 to Shields et al. (Shields). In making this rejection, the Examiner's alleges that Shields teaches each and every element of all of the rejected claims.

Applicant respectfully submits that the Shields fails to establish a *prima facie* case of anticipation or obviousness against the claims, and cannot be relied upon by the Examiner to further reject the claims.

In review, the invention is a method and system for evaluating employees. In order to evaluate the employees, shares are established in each employee. Then, a market is established for trading these shares, and the performance of an employee can be judged based on the value of the shares.

This principle of basing the shares on the individual employees in not found whatsoever in Shields, and this publication cannot be used by the Examiner to reject the claims on an anticipatory grounds.

A key aspect of the Examiner's rejection is the allegation that Shields teaches a method of evaluating employees by "issuing shares in each employee (See paragraph [0009], lines 17-26). The quoted passage says absolutely nothing about creating shares that are **in** each employee. In fact, Shields is not related to the invention at all since it is merely a system that allows for the trading of stock options or shares of stock in an employee's company. There is not even a hint of a suggestion that the shares contemplated to be traded in Shields are anything but conventional stock shares of a company. This is reinforced throughout Shields' disclosure by references to: obtaining stock prices from a quote server 30 which can be either the employer's own stock or other stocks [0047]; stock options and purchase plans offered to the employees [0057]; and price information acquired from the Dow Jones, see [0066].

The Examiner also cites [0005, 0049, 0050, and 0056] for the proposition that Shields teaches the issuing of shares for claim 3. Again, these paragraphs relate to the purchase of shares of the employer's stock or other stock, and it is not stock based on the actual employee. Claim 3 has been revised to clarify that the issued stock is based on the employee so that there is no question that the share in question is not a conventional share of stock but a share in the employee.

For claim 15, the Examiner points to yet other passages of Shields [paragraphs 0075-0079, 0102, and 0103] and Figures 18 and 19 to allege that this publication teaches

the trading of shares in the employees. This disclosure merely describes the purchase of company shares, not shares of the employees.

Again, the Examiner cannot interpret the language of claim 1, that the "shares are in each employee" to be the same as shares that are in the employer's company or some other company.

Likewise, the language of claim 3, "issuing a number of shares having a unit of value for each employee" is not found in Shields; there is no issuing of shares at all in Shields. The shares being traded in Shields are shares that are issued by companies and **they represent the value of the company, not the value of a given employee**.

In the same vein, original claim 15 recites that the shares are assigned to each employee. In order to make this consistent with claims 1 and 3, claim 15 is revised to read that the shares are issued in the employees. As with claims 1 and 3, Shields does not in the least suggest that the shares being traded in Shields' system should be somehow be issued in the name of employees or represent the value of an employee; the Shields' shares are representative of the company, and Shields teaches an improved way to handle those types of shares.

In light of the above, it is absolutely irrefutable that Shields does not teach the feature of the invention wherein the shares being traded are shares in the employees with the aim of evaluating the employees based on share value. Lacking this feature, Shields cannot establish a *prima facie* case of anticipation against claims 1, 3, and 15, and the rejection based on 35 U.S.C. § 102(e) must be withdrawn.

It is also arguable that Shields fails to teach a number of the other limitations found in the claims.

For example, each of claims 3, 4, and 15 require identification of a job performance trait of a given employee whose share is being traded by another employee. The Examiner fluffs this limitation by merely citing a number of paragraphs and Figures of Shields without any explanation as to the basis for the rejection. In fact, there is no basis in Shields to reject these claims with respect to the job performance limitation. A word search of Shields reveals that neither "job" nor "performance" is used. Thus, the rejection fails for this reason as well, and claims 3, 4, and 15 are patentable over Shields.

The updating feature of claim 6 for increasing the value of the shares is not found in Shields. The updating mentioned in paragraph [0054] has nothing to do with increasing the value of the shares, and this disclosure does not teach the limitations of claim 6.

Claim 8 is also separately patentable from Shields. The Examiner references the time values in paragraphs [0078 and 0087], but these values pertain to when a trade can be made, not hat the share can be valued in time units, e.g., days.

It is unclear as to the basis for rejecting claim 9 since paragraph [0075] has nothing to do with anonymous trading. The rejection is insufficient to establish anticipation and must be withdrawn as it pertains to claim 9.

Similar to the rejection of claim 9, the rejection of claim 10 lacks an objective basis in fact. Paragraph [0078] is totally devoid of the concept of searching the database for another employee.

Claim 11 is also improperly rejected since Figure 7B has nothing to do with the claimed hierarchy of shares in an employees' account.

The rejection of claim 12 is flawed. Cited paragraph [0039] at most suggests that an administrator has watch capability, but there is no suggestion whatsoever of the creating and notifying steps of claim 12.

Claim 13 stands on its own for patentability. The mere reference to Figures 14-23 is woefully inadequate to serve as a basis of an anticipation rejection. The Examiner has failed to carry his burden of setting out a factual basis for the rejection of claim 13.

Finally, there is no basis to reject claim 17. First, claim 17 is similar to claim 9. The Examiner rejected claim 9 based on paragraph [0075], but rejects claim 17 on Figure 9. Neither Figure 9 nor paragraph [0075] teaches anonymous trading and the rejection of claim 17 is flawed for the same reason as set forth above for claim 9.

In summary, the Examiner has failed to establish a *prima facie* case of anticipation against claims 1, 3, 4, 6, 8-13, 15, and 17.

In addition, there is no basis to make a rejection under 35 U.S.C. § 103(a) and the Shields reference. As stated above, Shields is concerned with a conventional stock share trading system, and is totally unrelated to the novel and unobvious concept of Applicant's invention. Consequently, there can be no motivation to alter Shields and base his system of the trading of shares that are in the employees themselves rather than the employer. To draw any conclusion of obviousness based on Shields is tantamount to the hindsight reconstruction of the prior art in light of Applicant's own disclosure, a practice forbidden in patent law.

In light of the above, Shields can neither anticipate nor obviate independent claims 1, 3, and 15 and dependent claims 4, 6, 8-13, 15 and 17. Thus these claims and their respective dependent claims 2, 5, 7, 14, and 16 are now in condition for allowance.

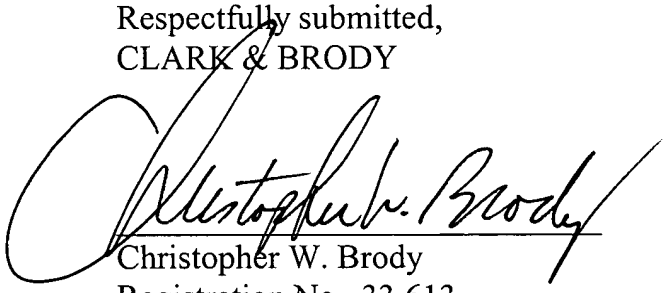
Accordingly, the Examiner is respectfully requested to examine this application in light of this amendment and the arguments made above, and pass claims 1-18 onto issuance.

If the Examiner believes that an interview with Applicant's attorney would expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number listed below.

The above constitutes a complete response to all issues raised in the Office Action of March 10, 2004.

Please charge any fee deficiency or credit any overpayment to Deposit Account No. 50-1088.

Respectfully submitted,
CLARK & BRODY



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